VZCZCXRO1366 PP RUEHLMC DE RUEHTG #1149/01 3542302 ZNY CCCCC ZZH P 192302Z DEC 08 FM AMEMBASSY TEGUCIGALPA TO RUEHC/SECSTATE WASHDC PRIORITY 9061 INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY RUEHCV/AMEMBASSY CARACAS PRIORITY 0652 RUMIAAA/CDR USSOUTHCOM MIAMI FL//CINC/POLAD// PRIORITY RUMIAAA/CDR USSOUTHCOM MIAMI FL PRIORITY RUEAHND/CDRJTFB SOTO CANO HO PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHDC PRIORITY RHEFDIA/DIA WASHINGTON DC PRIORITY RHMFISS/DIRJIATF SOUTH PRIORITY RUMIAAA/HQ USSOUTHCOM J5 MIAMI FL PRIORITY RUEIDN/DNI WASHINGTON DC PRIORITY RUEKJCS/JOINT STAFF WASHDC PRIORITY RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC PRIORITY 0859 RHEHNSC/NSC WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RHEHAAA/THE WHITE HOUSE WASHDC PRIORITY RUMIAAA/USSOUTHCOM MIAMI FL PRIORITY

## C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 001149

## SIPDIS

E.O. 12958: DECL: 12/18/2018
TAGS: PGOV PREL KDEM SOCI HO
SUBJECT: HONDURAN CONGRESS ACCEPTS VP SANTOS RESIGNATION
WHILE PRESIDENT ZELAYA IS AWAY

REF: A. TEGUCIGALPA 1040 ¶B. TEGUCIGALPA 1127

Classified By: Ambassador Hugo Llorens, reason 1.4 (b & d)

- 11. (C) Summary: The Honduran National Congress accepted the resignation of Vice President Elvin Santos, reversing their previous stance and paving the way for approval of his presidential candidacy, in an extraordinary session on December 18. Congress also instructed the Supreme Electoral Tribunal to issue a resolution registering Santos as the Liberal Party,s official candidate in place of the proxy candidate Mauricio Villeda, who had resigned. The Tribunal issued such a resolution later that evening. In meetings with the Ambassador, Santos, President of Congress Roberto Micheletti and National Party presidential nominee Porfirio "Pepe" Lobo have discussed how the political forces came together to resolve the political and constitutional obstacles to Elvin's eligibility. The sudden reversal by Congress reflects a behind-the-scenes accord between Santos and Micheletti, unknown to President Zelaya who was attending the Latin America Summit in Rio. In effect, the Santos-Micheletti alliance paves the way for Santos to emerge as the Liberal Party candidate and in effect blocks out the party's leftist faction allied with President Zelaya. Zelaya's reaction is yet to be known. End Summary.
- 12. (C) The Honduran National Congress convened a special recess session December 18, ostensibly according to pre-session press reports to discuss budgetary issues. the session, the Honduran National Congress accepted the resignation of Vice President Elvin Santos, reversing their previous stance and paving the way for approval of his presidential candidacy. Congress also instructed the Supreme Electoral Tribunal to issue a resolution registering Santos as the Liberal Party,s official candidate in place of the proxy candidate Mauricio Villeda, who had resigned. At the session, the Congress voted to accept the resignation of the Vice President, whose movement had won the November 30 Liberal Party (LP) presidential primary over second-place candidate Micheletti, thereby reversing their November 18 decision to reject his resignation, which had been made on the grounds that he did not have sufficient cause under the law to resign (Ref A). The measure passed by a simple

majority, with the majority LP deputies and a handful of National Party (NP) in favor; most NP deputies and two minor parties abstaining; and only the five (left-wing) Democratic Unification deputies voting against. Prior to the session, National Party leaders had told the press and the Embassy that their Deputies would abstain from any such vote, declaring it an internal Liberal Party issue. The Supreme Electoral Tribunal formally approved Santos, candidacy later that evening.

- 13. (C) In a breakfast meeting with the Ambassador the morning following the session, Micheletti explained that the reason for the Congress' reversal was that Santos' electoral win presented more worthwhile legal and constitutional grounds for the resignation. Micheletti added that the Congress had supported Elvin's candidacy on the merits that they were acting to carry out the ruling of the Supreme Court when it struck down the constitutional reforms of 2002, and paved the way for a favorable administrative action by the Supreme Electoral Tribunal to Santos, candidacy.
- 14. (C) Santos' legal advisors explained their view on the constitutionality of his candidacy to Poloffs on December 19, noting that while the Constitution did bar those serving in a titular role as President, Santos had only served a functional role as acting President, the distinction lying in the language of two different articles of the Constitution.
- $\underline{1}5$ . (C) The move by Congress took place at a time when TEGUCIGALP 00001149 002 OF 002

President Zelaya was out of the country at a meeting of Latin America leaders in Brazil, and was unquestionably an effort by Santos and Micheletti to remove President Zelaya from the political equation. Both have told the Ambassador that they consider Zelaya's faction within the LP dangerous due to its leftist extremism. Both acknowledged that Santos has promised the party presidency to Micheletti, in part for the purpose of sidelining current party president Patricia Rodas, who is perhaps the strongest influence on Zelaya's shift to the radical left over the past years. As his candidacy appears to move forward, Santos will have to determine how strong an alliance he will want to have with Micheletti, who only weeks ago was his fiercest rival. Micheletti now believes that his efforts to block Santos out backfired, and boosted Santos' image as a reformist martyr. NP candidate Lobo confided to the Ambassador that he agrees the Santos resignation was the most palatable route for the NP; he does not want to fight his candidacy and face the same popular backlash in the general elections in 2009 as Micheletti did in the primaries.

<u>¶</u>6. (C) Comment: The big political loser of the past two days is President Zelaya, who will now have to decide whether to fight an uphill battle for his faction to have influence in the party, or join in the decision and preserve LP unity in hopes of a 2009 win. Either way, he is now in a much weaker position. There is risk that he will strike out in anger. We will watch for this, but, in general, are pleased to see the Liberal Party faction that led Honduras into ALBA The action by Congress and the Tribunal in weakened. effect formalizes the results of the November 30 primaries and ensures that both major parties now have official standard bearers for the 2009 General Election. This fact will serve as a stabilizing factor in the political equation and narrows Zelaya's margin for maneuver. The Embassy worked effectively behind the scenes to encourage the players to resolve the issue of Santos, candidacy in a way that was politically wise and consistent with the constitution, while avoiding public involvement in these issues. End comment.